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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

The outcome of the formation of the PA government and some cracks in the international boycott of the new cabinet were the dominant themes in this weekend's media.

On Sunday, The Jerusalem Post and other media noted that while PA Chairman [President] Mahmoud Abbas offered Israel "peace of freedom," Palestinian PM Ismail Haniyeh backed "all forms of resistance." The Jerusalem Post reported that new Palestinian FM Ziad Abu Mar told the newspaper on Saturday that the Palestinian unity government implicitly recognizes Israel.

The media said that on Sunday Israel's cabinet voted overwhelmingly to uphold the boycott of the new Palestinian government, with 19 ministers voting in favor and none against. Education Minister Yuli Tamir, and Minister of Culture, Science and Sport Raleb Majadele, both of Labor, abstained in the vote. Prime Minister Ehud Olmert was quoted as saying during the weekly cabinet meeting that "Israel expects the international community not to be misled by the formation of the Palestinian unity government, and to persist with its position of isolating the government that rejects the principles set out by the Quartet." The PM added that the new government encumbers Israel's ability to conduct a dialogue with Abbas, because it includes problematic figures whom Israel cannot accept because they do not recognize its existence. Olmert told the cabinet that during his recent meeting with Abbas he had made it clear to him that Israel would not recognize a Palestinian government that includes representatives of Hamas. "Abbas promised me that the new government would not be formed before the release of Gilad Shalit, but he did not keep this promise," noted Olmert. "The rocket fire has continued on a daily basis and what has Abbas done about this?"

The media reported that Defense Minister Amir Peretz called on the government to begin negotiations with Abbas on a final settlement, rather than waiting for the Palestinians to disarm their factions and dismantle the terrorist infrastructure, as required by the road map plan. Yediot said that Olmert vigorously rejected Peretz's idea. Peretz was quoted as saying that kicking off such a process would bring the political initiative back into Israel's hands, and would allow Israel to set an agenda ahead of the Arab League summit, which is set to take place in Riyadh, Saudi Arabia at the end of this month. "On the one hand, we must not agree to letting the Palestinians ignore the Quartet's conditions -- they must fight terror -- but on the other hand, Israel must begin a political initiative rather than being on the political defensive," Peretz was quoted as saying. "The political freeze is working against it [the PA]. We must take the initiative into our own hands." FM Tzipi Livni was quoted as saying that "Abbas has imposed upon himself restrictions concerning the formation of the Palestinian unity government that will make it very difficult to advance a diplomatic process." She added that these restrictions would reduce Abbas's ability to approve significant diplomatic steps. Ha'aretz reported that the IDF supports Olmert's response to the new PA coalition.

The Jerusalem Post wrote that Israel, which in recent months said it wanted to hold "political horizon" talks with Abbas, "reversed gears" on Sunday and declared that it would only talk to him about security or humanitarian issues.

Ha'aretz quoted political sources in Jerusalem as saying on Sunday that Israel expects a certain amount of weakening in the international position on the new PA unity government. However, the sources were quoted as saying: "The story is money, and they won't get it for the time being." "Since the Americans and Europeans are maintaining the freeze on aid, and Israel isn't releasing the withheld Palestinian taxes, Hamas hasn't gained anything," the sources added. Ha'aretz wrote that Israel hopes that the international community will continue boycotting the Palestinian government collectively, by withholding all economic aid. "Overall, the diplomatic battle is being waged effectively," the sources were quoted as saying, praising Germany, which currently holds the EU presidency, for its efforts in formulating the European position. According to Ha'aretz, the sources dismissed Norway's decision to recognize the PA government and to offer it aid, saying that the amount of support will be inconsequential, and that Norway is conducting a foreign policy independent of the EU because it is not a member state. The sources also expressed satisfaction with Abbas's decision not to appoint his senior associates as government ministers, thus allowing Israel to "maintain contacts with them." Yediot reported that today a senior European official will meet with Haniyeh.

Ha'aretz reported that the Bush administration informed Israel in advance of its intention to maintain contacts with Fatah ministers

in the unity government -- a decision that is primarily directed at Palestinian Finance Minister Salam Fayyad. Ha'aretz wrote that the US has made it clear that while it will not resume provision of financial assistance to the PA, it has nonetheless decided not to cut ties with senior Fatah officials. U.S. officials said over the weekend that the American position on the PA government has not changed, and that the contacts with Fatah ministers should not be seen as a crack in the dam of the international boycott. Ha'aretz noted that American spokesmen spent the weekend expressing their disappointment at the PA government's platform, saying that it clearly does not meet the Quartet's demands. Nonetheless, Ha'aretz said that senior US officials maintain that the situation in the PA would not dictate a complete severance of ties, and that continuing contacts with moderates is essential for keeping open lines of communication. Israel Radio quoted US National Security Advisor Stephen Hadley as saying in an interview with CNN that the US will not recognize the Palestinian unity government as long as it does not recognize Israel's right to exist and does not denounce terror. The radio quoted a senior GOI source as saying that Israel is pleased with Hadley's remarks.

Israel Radio reported that the foreign ministers of Egypt, Jordan, Saudi Arabia, and the UAE, with whom Secretary of State Condoleezza Rice will meet in Aswan over the weekend, will ask her to pressure Israel into resuming diplomatic talks with the Palestinians. The radio reported that Egyptian FM Ahmed Ali Abu al-Gheit told the Saudi newspaper Al-Watan that Israel should release Palestinian prisoners, and that IDF Cpl. Gilad Shalit should be freed as well.

In its lead story, Maariv cited a disclosure by senior members of the Israeli defense establishment that the US is refusing operational coordination with Israel against Iran. The daily cited Israel's belief that the chances of a US attack during President Bush's term are low. Maariv said that Israel is focusing on diplomatic efforts to toughen sanctions against Iran.

Ha'aretz reported that Syria has told the United Nations that it opposes a UN plan to deploy civilian monitors along its border with Lebanon in an effort to prevent weapons from being smuggled from Syria to Hizbullah. On Sunday Maariv reported that, during last summer's war in Lebanon, French President Jacques Chirac suggested to Israel that it attack Syria. On Sunday Maariv cited the Mossad's belief that Syria is bracing for war with Israel.

On Sunday Ha'aretz reported that Israel and the US are conducting a joint military exercise whose main goal, according to military officials in both countries, is to hone the allies' abilities to fend off missiles equipped with nuclear, biological or chemical warheads. This year's Juniper Cobras drill, in contrast to those in recent years, will not involve intercepting live missiles due to logistical constraints associated with last summer's Lebanon war and US deployments. On Sunday Ha'aretz reported that the supreme commander of NATO operations in Europe and head of the US European Command (EUCOM), John Craddock, called Israel a "model state" and the United States' closest ally in the Middle East. Craddock spoke before the US House Armed Services Committee in Washington on Thursday. He was quoted as saying that Israel consistently and directly supported US interests by means of security cooperation and understanding US policy in the region. He commended the stability of Israel's government and was quoted as saying that Israel was a model state that encouraged democratic ideals and pro-Western values and economics. Craddock was also quoted as saying that Israel was the main beneficiary of US security aid funds and that it was a "critical military partner" in what he called "this entangled seam of the Middle East."

Leading media reported that on Sunday five Qassam rockets were launched from the northern Gaza Strip towards Sderot and Ashkelon. The media reported that, fearing that small planes might become targets of Palestinian fire, the Transportation Ministry decided to ban crop-dusting on agricultural areas surrounding the Strip.

All media reported that today the Ministerial Committee for Symbols and Ceremonies will decide today whether last summer's conflict in Lebanon will be officially defined as a war. The media reported that on Sunday a second committee dealing with a name for the conflict held its first meeting.

Leading media reported on Muhammad Dahlan's "comeback" in the PA.

Yediot reported that, while Egyptian President Mubarak has tried to calm the waters on the issue of the alleged killing of Egyptian POWs in the Six-Day War, governmental newspapers in Egypt have been inflaming the spirits. On Sunday Ha'aretz quoted Mubarak as saying, in Saturday's edition of the Egyptian newspaper Akhbar Al-Yawm, that his country will do whatever necessary to ensure that the perpetrators of any war crimes against Egyptian soldiers are punished.

Yediot reported that Olmert told the cabinet on Sunday that he has decided to extend by one year the tenure of Mossad Director Meir Dagan.

The Jerusalem Post reported that prominent liberal author A.B. Yehoshua told a gathering in New York City last week that criticizing Zionism has become a socially acceptable way to attack Jews.

Yediot reported that Pensioners Affairs Minister Rafi Eitan suggested at Sunday's cabinet meeting that Israel set the interim borders of a Palestinian state and withdraw to the new border after evacuating around 20 settlements.

Yediot reported that the Israeli company PAR Technologies (phon.) is developing a system that will allow the rearming in mid-air of warplanes with rockets and bombs. Yediot wrote that Taiwan is considering buying an Israeli spy satellite -- the Eros. The newspaper reported that the USD 300-million deal is expected to arouse a harsh response in China.

Major media reported that linguist and left-wing peace activist Tanya Reinhardt unexpectedly died in New York on Saturday at age 63.

Leading media reported that the Histadrut labor federation might declare a general strike on Wednesday.

Yediot presented the results of a Mina Zemach (Dahaf Institute) poll: Contrary to Sunday's cabinet decision, 56 percent of Israelis believe that Israel should talk with the new Palestinian government (39 percent unrestrictedly; 17 percent: only with the Fatah members of the government); 40 percent are opposed to such a dialogue; 4 percent are undecided.

Ha'aretz printed an AP wire report citing a new University of Haifa poll, which found that over a quarter of Israel's Arab citizens believe that the Holocaust never happened, and that nearly two-thirds of Israeli Jews avoid entering Israeli Arab towns. Yediot and Maariv reported that the poll found that 49.7 percent of Israeli Arabs justify the abduction of the two IDF soldiers by Hizbullah last July.

Mideast:

Summary:

The independent, left-leaning Ha'aretz editorialized: "The government of Israel can and should cooperate with the new Palestinian government."

Chief Economic Editor Sever Plotker wrote in the editorial of the mass-circulation, pluralist Yediot Aharonot: "Israel has met with its greatest diplomatic defeat in the past generation.... [It must now launch] a direct political dialogue with the incumbent Palestinian government."

Senior columnist and chief defense commentator Zeev Schiff wrote on page one of Ha'aretz: "This could be an opportunity to begin a process of de-escalation ... after which Hamas, under Palestinian public pressure, will choose to compromise with Israel."

The conservative, independent Jerusalem Post editorialized: "Why would Norway and perhaps France, in the interest of peace, join Iran

in aiding Hamas directly?"

Columnist and former IDF Intelligence chief Shlomo Gazit wrote in the popular, pluralist Maariv: "I call on the Royal House of Saud [and] the heads of [Arab] states ... follow the path that was taken by Egyptian President Anwar Sadat 30 years ago."

Former foreign minister Shlomo Ben-Ami wrote in Ha'aretz: "The Arabs will place the Saudi initiative on the negotiating table and the Israelis will come with the Clinton plan. The final agreement lies in the space between them."

Block Quotes:

II. "Judged By Its Actions"

The independent, left-leaning Ha'aretz editorialized (3/19): "The government of Israel can and should cooperate with the new Palestinian government.... The demand for recognition and for a cessation of the violence is a legitimate one, but declarations are less important than actions on the ground. The trips abroad by Foreign Minister Tzipi Livni and Prime Minister Ehud Olmert, seeking partners for the continued boycott, apparently will be of no help. Governments weigh their independent interests, and in the face of the Saudi initiative which pledges to lower the level of heat in the Middle East, it is difficult to persuade the world to keep blacklisting the Haniyeh-Abbas government. The Palestinian unity government deserves a chance, and its very establishment is a positive sign, even if its platform is far from satisfactory as far as Israel is concerned. The massive weaponry in Gaza the Shin Bet has reported seeing may give rise to hesitations, but such weaponry is also present in Israel, and across the border in Syria, Lebanon and Egypt. Israel must do its best to ensure that no weapon will be used, and the way to achieve this is through dialogue. Even a cease-fire of many years' duration, as Hamas proposes, is a better offer than an ongoing war, for which we must always be prepared."

II. "The Hamas Option"

Chief Economic Editor Sever Plotker wrote in the editorial of the mass-circulation, pluralist Yediot Aharonot (3/19): "In complete contrast to the hopes of 'political officials in Jerusalem' and the forecasts of 'national intelligence assessment agencies,' the Palestinian national unity government is now an established fact. Upon its formation, Israel has met with its greatest diplomatic defeat in the past generation.... What next? What does Israel intend to do? One option is continue the current line: To give passionate speeches, pass more government resolutions for boycotting the Palestinian Authority -- and mainly to pray.... The inevitable outcome of adopting this option: Overwhelming international recognition of Hamas as the sole legitimate representative of the Palestinian people, and pushing Israel into a corner.... [But] now, after Israel has agreed to a cease-fire in Gaza without returning Gilad Shalit home, and after Abu Mazen has forged a loving alliance with Hamas, the military option is off the table. What remains is the third path, which is the only realistic course of action now: Launching a direct political dialogue with the incumbent Palestinian government. Briefly and simply: Negotiations with Hamas.... Not because we love Hamas, but because this is the only way we can regain the initiative and justify our positions. This is a very difficult option, but it is preferable to the other ones. 'Don't be deceived,' appealed Olmert yesterday to the nations of the world. This is a correct appeal, but bears no solution: We cannot be hostages to the moods of the Western state leaders.'"

III. "Good For Hamas -- and For Israel"

Senior columnist and chief defense commentator Zeev Schiff wrote on page one of Ha'aretz (3/19): "Should Israel accept the cease-fire (hudna) offer -- short or long-term -- which will certainly come from Hamas and the Palestinian Authority unity government? On the basis of military logic the answer should be no, because this path will allow Hamas to become more established and increase its military strength through arms smuggling, including to the West Bank. The political logic, on the other hand, says this could be an opportunity to begin a process of de-escalation, of ending violence and bloodshed, after which Hamas, under Palestinian public pressure,

will choose to compromise with Israel.... The cease-fire offer could also be presented to the Israeli government by foreign countries such as Egypt or Saudi Arabia, and Israel would have a hard time rejecting it outright without presenting its demands."

IV. "No Aid to Terror"

The conservative, independent Jerusalem Post editorialized (3/19): "The Abbas-controlled Palestinian media continues to broadcast incitement to hatred of Israel, in violation of the Oslo Accords and numerous subsequent commitments. Does anyone expect Hamas to put a stop to this? It is also obvious that Hamas does not recognize Israel's right to exist. Indeed, Hamas and its jihadi allies in Hizbullah and Iran openly claim that they are closer to their dream of destroying Israel than they ever were. No vague statement about past agreements changes this. Finally, far from renouncing terrorism, Hamas -- again with characteristic openness -- continues to support 'all forms of resistance'.... Hamas's actions speak even louder than its words, which also leave little to the imagination. Accordingly, the reasons the Quartet cut off relations with the PA in the wake of the formation of the first Hamas-led government are as valid as ever. Indeed, Western assistance to the PA should have been cut off long before that election, for the simple reason that the PA, even under Chairman Mahmoud Abbas, would not lift a finger to stop terror attacks against Israel. The international community cannot have it both ways. It cannot say it wants terrorism against Israel to stop, while opening ties with and bankrolling a PA that is preparing to launch the next terror war.... Why would Norway and perhaps France, in the interest of peace, join Iran in aiding Hamas directly? To call this unserious is to be charitable. The Quartet certainly should not follow suit, and should instead tighten sanctions against the PA if it wants to work to stop the countdown to the next war."

IV. "Following in Sadat's Footsteps"

Columnist and former IDF Intelligence chief Shlomo Gazit wrote in the popular, pluralist Maariv (3/19): "Greetings Prince Bandar bin Sultan. In another week the Arab League is scheduled to meet in Riyadh, where it is to formulate and reconfirm the Saudi initiative as the outline for a full and comprehensive peace between Israel and its Arab neighbors -- a peace accord that will bring about an end to this 60-year-old conflict. I appeal to you as an Israeli who is a member of the Israeli peace camp -- an Israeli who believes that there is an Arab 'partner' for negotiations and an agreement, and that the gaps between the Arab position and the Israeli position are bridgeable.... I call on the Royal House of Saud, the heads of states and on you personally -- follow the path that was taken by Egyptian President Anwar Sadat 30 years ago. Let us not make the beginning of negotiations contingent upon decisions that Ehud Olmert makes. Things are too important and we mustn't squander the opportunity.... I appeal to you and ask -- immediately after the end of the conference in Riyadh, announce publicly that you too would like to come to Jerusalem, and that you intend to present to the people in Israel and the government in Jerusalem the decisions that were made at the summit meeting, and that you want to discuss immediately how to begin negotiations at once. No government in Israel will be able to reject that kind of initiative. No government will be able to evade the peace process. The weakness of the coalition in the Knesset will fail to withstand the pressure and the unequivocal call from the masses, who will welcome you with flowers."

VI. "Back to the Clinton Plan"

Former foreign minister Shlomo Ben-Ami wrote in Ha'aretz (3/19): "If negotiations and amendments do become a reality, it will quickly become clear that what the country's present leaders are aiming for is actually the Clinton plan. That is their last line of defense. The stone which the builders rejected has become the chief cornerstone.... There is thus no need to reinvent the wheel, and it would not detract from the government's honor were it to use the efforts of its predecessors as the foundation for its entry into historical record. The Arabs will place the Saudi initiative on the negotiating table and the Israelis will come with the Clinton plan. The final agreement lies in the space between them.... Never since the beginning of Zionist aliyah [immigration] has the Arab world --

which is so fearful of an Islamic fundamentalist tsunami -- been so ready to reach an arrangement with the Jewish state. As we have said, however, it is not enough for the conditions to be ripe. Without straightforward, far-sighted leadership that can tell the people the plain home truths, this window of opportunity, too, will turn into just another tragic missed opportunity."

JONES